

HOUSE BILL REPORT

SSB 5414

As Reported by House Committee On:
Transportation

Title: An act relating to aviation fees and taxes.

Brief Description: Adjusting aviation fees and taxes.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker).

Brief History:

Committee Activity:

Transportation: 3/28/05, 3/31/05 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- Increases the aviation fuel tax from ten cents to eleven cents.
- Abolishes the pilot, airman, and airwoman state registration requirements and the \$15.00 fee.
- Eliminates the Aircraft Search, Safety and Education Account.
- Defines "air carrier" as an airline, air cargo carrier, air taxi, air commuter, or air charter operator.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 25 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Appleton, Buck, Campbell, Dickerson, Ericksen, Flannigan, Hankins, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Sells, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

Minority Report: Do not pass. Signed by 1 member: Representative Curtis.

Staff: Jerry Long (786-7306).

Background:

The Aviation Division at the Washington's Department of Transportation (DOT) is responsible for the registration of Washington pilots, and airmen or airwomen, certain

mechanics, aircraft dispatchers, and air-traffic control tower operators. The registration is \$15.00 and effective during the current fiscal biennium (July 1, 2003 through June 30, 2005); \$7.00 of each fee must be deposited into the Aeronautics Account to be used solely for airport maintenance. The remaining \$8.00 must be deposited into the Search and Rescue, Safety and Education Account, to be used for: (1) search and rescue efforts; (2) safety and education; and (3) volunteer recognition and support. Effective July 1, 2005, the distribution expires and the entire \$15.00 registration fee must be deposited into the Aircraft Search and Rescue, Safety and Education Account.

Aircraft fuel users are taxed at 10 cents per gallon of aviation fuel exempt for commercial users, farm use, research, testing, training and emergency transport entities. The revenue is deposited in the Aeronautics Account and is used for the administration of the DOT Aviation Division, airport construction and maintenance, and local airport aid.

Summary of Amended Bill:

Certain provisions regarding aviation fees and taxes are revised as follows: (1) the state pilot and airman and airwoman registration requirement is repealed; (2) the Aircraft Search and Rescue, Safety and Education Account is repealed; (3) the aviation fuel tax is increased one cent to eleven cents per gallon; and (4) air carriers, subject to the commercial aircraft exemption from the aviation fuel tax are defined as: An airline, air cargo carrier, air taxi, air commuter, or air charter operator, that provides routine air service to the general public for compensation or hire, and operates at least 15 round-trips per week between two or more points and publishes flight schedules.

Amended Bill Compared to Substitute Bill:

The amended bill adds "air cargo carrier" to the definition of "air carriers" as a technical amendment since the air cargo carriers are exempt under current law.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect on July 1, 2005.

Testimony For: (In support) The Washington State Department of Transportation Aviation Division testified that the bill will increase flexibility and efficiency for managing from one account instead of two accounts. The increase in revenue will assist in the maintenance of airports and by not having the state registration fee, since this is a duplication of federal registration requirements, there will be a reduction of administration expenditures also.

(With concerns) Goodrich Aviation testified that there was a concern on the bill due to that the "air cargo carriers" were not in the definition of "air carrier". They recommended an amendment to add the "air cargo carriers" to the definition.

Testimony Against: None.

Persons Testifying: (In support) John Sibold, Washington State Department of Transportation Aviation Division.

(With concerns) Steve Gano, Goodrich Aviation.

Persons Signed In To Testify But Not Testifying: None.